

16 DEC 1974

MEMORANDUM FOR: Chief, Plans and Programs Staff, OL

SUBJECT : Cost Reduction and Conservation

REFERENCES : Memo dtd 6 Dec 1974 for Multiple Adse fm D/L,  
Subject: Material for Presentation At the  
Winter Conference of Deputy Directors  
(OL 4 5864)

Memo dtd 4 Nov 1974 for Multiple Adse fm DD/A,  
Subject: Reduction of Daily Operating Costs  
(OL 4 5447)

1. The comments detailed herein under topics of recent accomplishments, actions in progress, and future considerations, summarize Supply Division's efforts in cost reduction and conservation.

2. Recent accomplishments:

a. Interdepartmental Support Branch has devised and implemented a new method for production of an essential document cross-reference register using a specially programmed flexwriter. The estimated annual saving over the previous manual method is \$5,249.

b. [REDACTED], by selective filling of job vacancies, is maintaining four unfilled positions vacated by normal attrition. Average cost of a [REDACTED] position is \$13,225. Potential annual saving is \$52,900.

c. Central Control and Distribution Branch has reduced production and distribution of requisition copies from an average of 21 to 12.5. The projected saving in cost of paper is \$87 per month (\$1,044 per year.)

3. Actions in progress:

a. We have advocated the stockage of field as well as Headquarters used forms by Logistics Services Division (LSD). We believe substantial cost reduction may evolve as a result of reduced handling and management and a more practical final unit of issue. LSD lacks

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storage space at the moment, but we understand that this may be resolved soon.

b. Supply Management Branch is working closely with the Agency Forms Management Officer in an overall review of form requirements with the objective of cost reduction. We feel there is considerable potential in this area through simplifying form construction, modification, and combining and discontinuation. The review has not been completed as of this moment.

c. We are on the verge of combining two forms, Requisition Form 88 and Shipping Document Form 291. The new form is a single sheet and will cost a fraction of its predecessors, which are expensive ditto masters with carbon interleave attachments.

4. Future considerations:

We propose to pursue the following as time permits:

(1) Determine the cost effectiveness of not stocking readily available, common commercial, small arms ammunition to avoid handling, storage, surveillance, and physical inventory.

(2) Investigate the feasibility of user produced forms at any location having adequate reproduction facilities. It is recognized that while production cost will be higher, it may well be acceptably offset by elimination of other substantial costs such as requisition processing, procurement, receiving, storage, packing and crating, and transportation.

(3) Arrange for and train overseas users to make direct requisition inputs to GSA-FSS.

(4) Discontinue the "cosmetic" rehabilitation of office furnishings.

(5) Expand the <sup>c</sup>scope of the Small Purchases Branch.

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(6) Update and review our function statements to ensure they are essential, properly assigned, cost effective, and efficiently executed.



✓ Chief, Supply Division, OL

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Approved For Release 2003/05/05 : CIA-RDP85-00809R000100010028-9

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